DEENA ENERGY · INC·

1995 ANNUAL REPORT

Corporate Profile

Deena Energy Inc. is an emerging junior oil and gas company with operations in Western Canada. The Company is exploration focused and has generated a number of attractive prospects for future activity. Deena trades on the Alberta Stock Exchange under the symbol DNG.

1995 Highlights

	1995	1994
Average Production	**300 Boe/d**	190 Boe/d
Revenue	**$1,685,454**	$1,156,030
Cash Flow	**459,442**	385,166
Cash Flow per Share	**0.04**	0.03
Earnings	**(132,594)**	84,754
Earnings per Share	**(0.01)**	0.01
Capital Expenditures	**863,143**	3,470,234
Year End Common Shares	**11,963,567**	12,573,066

Annual Meeting The annual general meeting of shareholders will be held on Thursday, July 18 at 9:00 A.M. in the Centennial Room at the Sandman Inn, 888 - 7th Avenue S.W., Calgary Alberta.

Letter to the Shareholders

Highlights for Deena for the year ending 1995 include:

1. Participated in the drilling of 11 gross wells (3.75 net) of which all were cased as potential producers.
2. Divested of certain properties to substantially reduce the outstanding balance on the Company's line of credit.
3. Increased average production levels for the year by over 50% to 300 Boe/d despite the above mentioned dispositions.
4. Increased Proved reserves by 10% on a barrel equivalent basis.
5. Completed the normal course issuer bid for the year reducing average outstanding basic common shares to roughly 11.9 million.

1995 Review

Deena spent $0.86 million on exploration and development activities in 1995 with over 80% directed towards exploration. The Company participated in 11 wells of which four were classified as development wells. Drilling took place in five different areas, two in Saskatchewan and three in Alberta, resulting in seven oil wells, and four cased wells awaiting completion and testing. Production at the end of the year, after the sale of a net 60 B/d of oil was 300 Boe/d, 60% being gas. Deena acquired specific undeveloped lands totalling about 1,000 net acres during the year.

Company Cash Flow Increased 19% to $460,000

Financial results for 1995 were largely a reflection of weak gas prices which severely impacted Company netbacks. Losses totalled ($132,594) for 1995 with cash flow from operations of about $460,000, a 19% increase over 1994. In addition to gas prices, shut-in production due to an extended breakup in the spring and delays in obtaining increased allowable levels from Alberta Energy Utilities Board (EUB) affected the Company's financial performance. Lifting costs were $6.00/Boe while General and Administrative (G&A) costs increased with high activity levels. The Company ended the year with about a $135,000 draw on its bank line. Deena successfully increased the limit on its bank line of credit to $1,300,000.

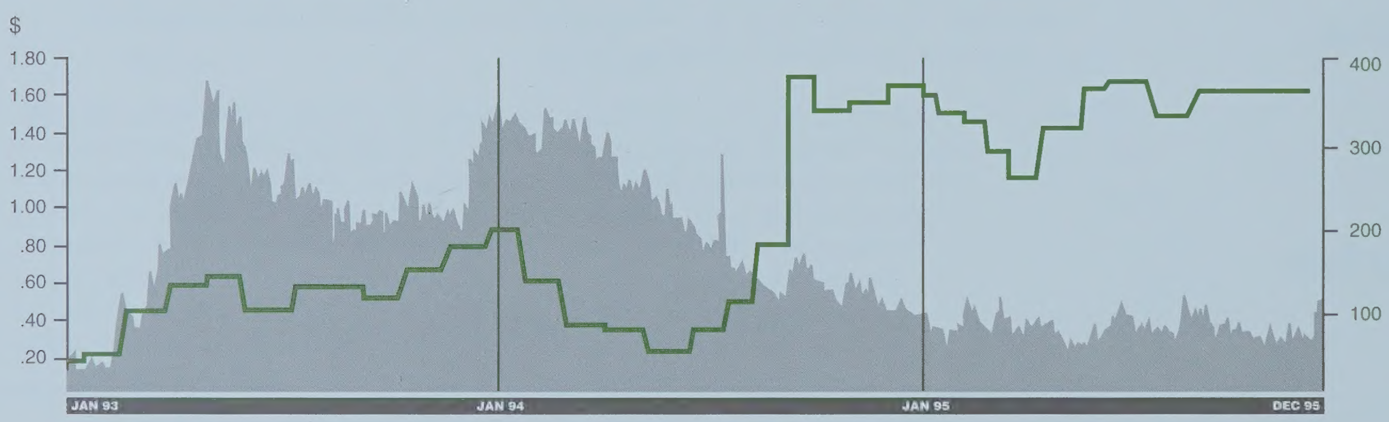
Over the year, Deena bought back shares under the provisions of a normal course issuer bid. The Company purchased 579,500 common shares at an average price of $0.30 per share. Currently, the Company has approximately 11.9 million basic common shares outstanding.

Deena Strategy

Deena is first and foremost an exploration and drilling company. In the 1994 annual report, Deena outlined its approach and strategy for building the Company. Deena believes it to be a realistic strategy and remains committed to achieving profitable growth and enhancing shareholder value. This strategy dictated Deena's activity in 1995 and will continue to do so in 1996. The highlights of this strategy and related objectives are summarized as follows:

1. Build a stable cash flow base, with a goal of a minimum of $2.0 million per year within two years. This level of cash flow would allow the Company to substantially and effectively increase its exploration activities.
2. Concentrate on exploration and drilling activity. While this is a more challenging approach to growth, over the long run it will prove to be more cost effective.
3. Maximize exposure to opportunities while minimizing risk by keeping net drilling costs below $200,000 per well and working interests between 25% and 50%. Deena will try to operate as many of these wells as it can. These levels are appropriate for a company of Deena's size.
4. Establish four or five core areas. This would provide the Company with focus while also providing some diversity in its production base.
5. Limit expenditures to operating cash flow levels. Over time, this will result in superior returns for investors.
6. Increase market awareness of the Company.

Production vs Share Price



1996 Outlook

For 1996, Deena expects to spend between $750,000 and $1.0 million participating in up to ten wells. This spending level represents the Company's estimate of cash flow with commodity prices of US$18/B WTI for oil and $1.30/Mcf for gas. About half of this activity will be development of existing properties with the remainder directed to Company generated exploration projects. The Company believes that at minimum, it can increase production to 500 Boe/d (60% gas).

A successful drilling program in 1996 will add value to the company and result in an increase in the price of Deena shares, which is the primary goal of Deena managment.

J.W. (Grant) Robertson
President

Review of Operations

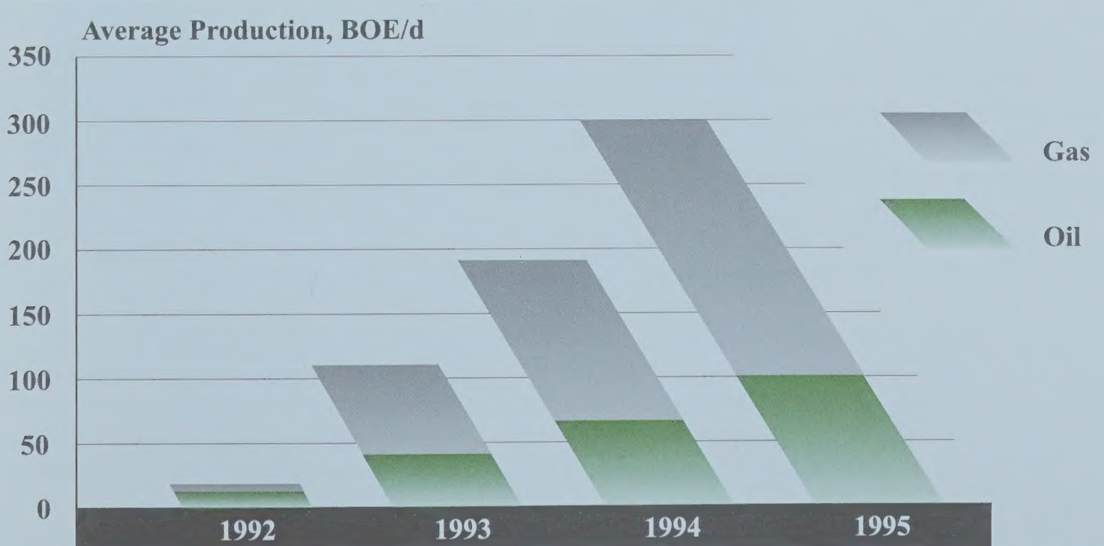
Land Deena ended the year with 5,000 net acres of undeveloped land in Alberta (80%), and Saskatchewan (20%). This represents a decline from 1994 as the Company disposed of property during the year. At this point in its development, Deena does not expect to amass a large undeveloped land position. The Company will acquire land selectively with the intent of drilling such acreage within one to two years after acquisition.

Drilling Deena participated in 11 gross wells in 1995 (3.75 net) of which seven were exploratory in five different areas in Alberta and Saskatchewan. Of these wells, seven were completed as oil wells with four cased for future completion. The Company plans to participate in drilling up to ten wells (4.0 net) in 1996, with about 80% directed to oil targets. Drilling activity is slated for Alderson, Haynes, Pine Creek and three other prospects, two in southeast Alberta and one in southeast Saskatchewan. Deena plans on operating more of its drilling in 1996 to ensure projects are conducted on a more cost effective basis.

Production Production averaged 300 Boe/d for 1995 (60% gas), an increase of 56% over 1994. Production increases were achieved through drilling activity at Haynes and Alderson, Alberta and at Willmar, Saskatchewan. In October, the Company sold producing and nonproducing properties at Oxbow, Saskatchewan and West Eagle, B.C. with average production of 60 B/d. Overall production volumes were negatively impacted by delays in achieving Good Production Practice (GPP) at Haynes, an extended spring breakup and declines in certain producing natural gas wells in southeastern Alberta. Year end production was 1.9 Mmcf/d gas and 120 B/d of oil production. Major producing properties were Edson (45%), Haynes (25%) and Alderson (20%).

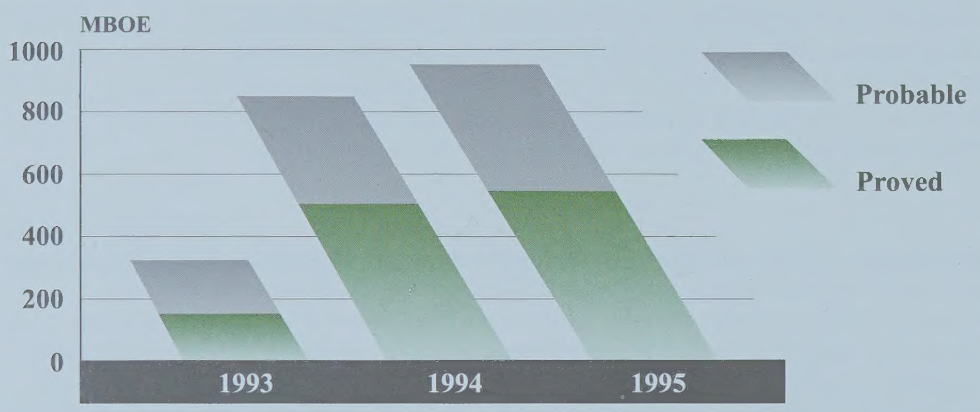
The Company through its drilling program plans to exit 1996 at 200 B/d of oil and 3 Mmcf/d of gas. Drilling and completion activities in the first quarter of 1996 have replaced the production sold in 1995.

Production



Reserves Deena's proved reserves for the year, (as determined by independent engineering) totaled 335 Mb of liquids and 2.2 Bcf of gas with a value of $4.4 million at 15% Before Tax (BT) discount rate. Proved plus probable reserves total 443 Mb of oil and 5.0 Bcf of gas with an unrisked value of $6.8 million at a 15% BT discount rate. Proved reserve equivalent volumes (gas converted at 10:1) increased 10% and Probable volumes by 10% over 1994 volumes. Virtually all Deena's reserves have been added through drilling and exploitation.

Reserves



Exploration and Development Projects Deena is an exploration company and as such concentrates on drilling to generate growth. In 1995, Deena drilled a number of oil and gas exploration prospects with some interesting results. The Company believes that certain of these discoveries will lead to a number of future drilling prospects.

For 1996, Deena's activity will focus on four areas; southeast Saskatchewan (Willmar and Oxbow), central Alberta (Haynes), southeast Alberta (Alderson) and northwest Alberta (Pine Creek).

Pine Creek The Pine Creek (Edson) area has been an active area for Deena over the past two years. Over that time frame, the Company has participated at a 25% working interest in: drilling three wells (one producer, one dry and abandoned, one cased for evaluation), running a 15 square kilometer 3D seismic program, acquiring additional lands and building a 12 kilometer pipeline. This is a high risk, high cost, high reward play with expected reserve levels in excess of 10 Bcf per well. Almost 40% of the Company's capitalization has been directed to this play, with mixed results.

A discovery well was drilled in late 1993 and put on production in August 1994. A dry hole was drilled in April of 1994, and a potential gas and oil well was drilled in October of 1995. Deena has assumed a substantially higher working interest on a highly prospective section (75% W.I.) in the play. The Company has attracted a joint venture partner to drill this location during the summer of 1996. If the well is successful, Deena expects to drill another well in early 1997.

Haynes, Alberta In 1995, Deena (10%) and its partners successfully drilled a vertical producing well, and a horizontal reentry well and successfully recompleted an existing producer. Production from the property is well below its potential due to rate limitations imposed by the EUB. Application has been made to the EUB for GPP and is currently under review. In addition, Deena and its partners are in the process of negotiating a number of deals which would increase exposure to this play.

Alderson, Alberta Deena has interests in six sections in this area, all covered by 3D seismic. The Company has identified a number of high quality oil and gas drilling locations in various formations on this acreage. Three wells were drilled on this acreage in 1995 resulting in two oil wells (8.75%) and one potential gas well (25%). Two to five wells are slated for drilling in this area in early 1996 at interests ranging from 25% to 40%.

Willmar, Saskatchewan Deena has interests from 40% to 55% in three sections in this area. Deena drilled two wells and recompleted a third during 1995. Two of the wells have produced water problems, and the Company is evaluating remedial procedures for the spring of 1996. The third well is producing oil with no water at a rate of 60 B/d. Deena will drill one or two wells at Willmar in 1996, one of which may be a deeper Winnipegosis test.

Operations Map of Western Canada

Deena has acquired acreage on two new internally generated exploration projects, one in Alberta and one in Saskatchewan. Additional seismic will be run on these projects in early 1996 and additional lands may be posted. Drilling of these prospects may not occur until early 1997. The Company expects to post land on a third exploration project area in northern Alberta in mid-1996.

Mergers and Acquisitions Deena remains active in evaluating merger and acquisition prospects and submits bids and proposals on a regular basis. For 1995, Deena's production purchases were minor as it was predominantly a sellers market, requiring successful buyers to pay premiums to what would be generally viewed as reasonable prices. The Company bids primarily on internally identified targets and rarely on the "property packages" which are extensively circulated through the industry.

Marketing

In 1995, about 75% of Deena's gas production received spot pricing while the remainder was locked-in giving the Company an average gas price of roughly $1.15/Mcf . This price severely squeezed netbacks in 1995 and substantially reduced cashflow. Such a large proportion of spot sales is far from optimum, but the Company's size, concentrated gas production base and lack of significant operatorship make it risky to lock into long term contracts. In a scenario where contractual direct sales volumes are not satisfied, Deena is limited in its ability to backstop any shortfalls with production. This exposes the Company to high cost alternatives such as supplying third party gas volumes or paying demand charges for unutilized transportation, which, in the worst case can permanently impair Deena's ability to continue operations.

Deena is currently evaluating marketing alternatives to reduce its dependence on spot pricing. In addition, the medium term objective of the Company is to increase gas volumes and operated production to allow a portfolio approach to gas marketing. Such a portfolio would be comprised of an array of markets and marketers to give the Company broad exposure to North American end users. Over time this would stabilize and enhance the price Deena receives for its gas.

DEENA INITIATED AN ACTIVE EXPLORATION PROGRAM

FINANCIAL

Revenues totaled $1.7 million for 1995 with average product prices of $21.00/B for oil and $1.15/Mcf for gas. Operating costs are comprised of lifting costs and G&A, which were split 65:35. Lifting costs were $6.00/Boe, higher due to startup of a number of new producing wells. G&A was 25% higher as the Company increased activity levels in certain aspects of the business.

The Company's net income was ($132,594) while cash flow increased 19% to $459,442. Earnings and cash flow numbers were significantly impacted by the weak gas prices prevailing over the year.

Capital spending was $0.86 million for 1995 as Deena initiated an active exploration program. Of this amount, approximately 80% was spent on exploration activities. Capital spending was financed through bank debt and cash flow. The proceeds from the sale of two properties with 60 B/d of net oil production and undeveloped land for $820,000 in early October was used to eliminate the draw on the Company's line of credit.

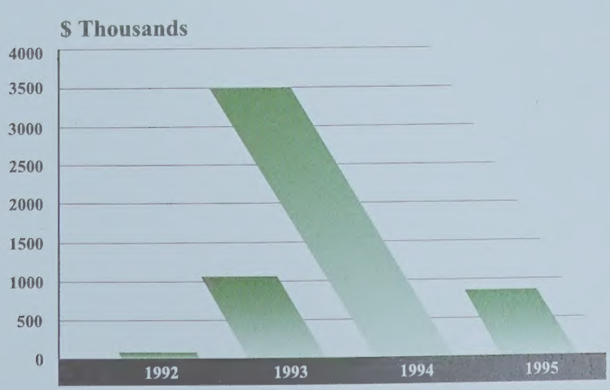
Cash Flow

Deena, through a normal course issuer bid, purchased 579,500 shares at an average price of $0.30/share, well below the Company's Net Asset Value (NAV). These shares were cancelled reducing outstanding common shares to 11.9 million. Deena has received approval from the ASE for a normal course issuer bid in 1996 of 600,000 shares. The Company may buy back shares when the market price is at a substantial discount to NAV.

Deena's capital program for 1996 is budgeted at between $0.75 million and $1.0 million. This amount reflects expected cash flow for the year with US$18/B WTI oil prices and $1.30/Mcf gas prices.

Deena increased its line of credit for 1996 to $1.3 million. At the end of 1995, the Company had drawn $135,000 of this amount for end of the year drilling projects. The Company has drawn further on its line into 1996 to finance additional drilling projects prior to break-up. With uncertainty in commodity prices and interest rates, the Company has limited its use of debt to fund drilling activity. The Company is evaluating several innovative financing vehicles to fund an expanded exploration program in 1996.

Capital Expenditures



Auditors' Report

To the Shareholders
Deena Energy Inc.

We have audited the consolidated balance sheets of Deena Energy Inc. as at December 31, 1995 and 1994 and the consolidated statements of operations, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1995 and 1994 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

McRae Gladstone Gillies

CALGARY, ALBERTA
APRIL 2, 1996

CHARTERED ACCOUNTANTS

CONSOLIDATED BALANCE SHEETS

as at December 31,

	1995	1994
ASSETS		
Current		
Cash	$ –	$ 322,374
Receivables	609,249	353,945
Marketable securities (notes 3 & 5)	58,869	80,329
	668,118	756,648
Fixed (notes 3 and 6)	4,115,595	3,975,643
	$ 4,783,713	$ 4,732,291
LIABILITIES		
Current		
Bank overdraft	$ 134,895	$ —
Accounts payable	693,695	313,284
	828,590	313,284
Deferred abandonment costs	18,722	6,023
Deferred income taxes	14,950	160,900
	862,262	480,207
SHAREHOLDERS' EQUITY		
Share capital (note 7)	3,731,926	3,929,965
Retained earnings	189,525	322,119
	3,921,451	4,252,084
	$ 4,783,713	$ 4,732,291

APPROVED ON BEHALF OF THE BOARD:

Director

Director

Consolidated Statements of Operations

for the years ended December 31,

	1995	1994
Revenue		
Oil and gas	$ 1,675,986	$ 1,082,929
Other	9,468	73,101
	1,685,454	1,156,030
Expenses		
Operating	1,051,154	624,878
Royalties and lease payments, net	176,326	145,986
Depreciation and depletion	735,890	298,714
	1,963,370	1,069,578
Income (loss) before the undernoted	(277,916)	86,452
Loss on disposal of marketable securities	(2,096)	(20,798)
Income (loss) before income taxes	(280,012)	65,654
Recovery of income taxes (note 8)	147,418	19,100
Net income (loss) for the year	$ (132,594)	$ 84,754
Earnings (loss) per share	$ (0.01)	$ 0.01

Consolidated Statements of Retained Earnings

as at December 31,

	1995	1994
Retained earnings, beginning of year	$ 322,119	$ 237,365
Net income (loss) for the year	(132,594)	84,754
Retained earnings, end of year	$ 189,525	$ 322,119

Consolidated Statements of Changes in Financial Position

for the years ended December 31,

	1995	1994
Operating activities		
Net income (loss) for the year	$ (132,594)	$ 84,754
Non-cash items		
Depreciation and depletion	735,890	298,714
Deferred income taxes	(145,950)	(19,100)
Loss on disposal of marketable securities	2,096	20,798
Funds from operations	459,442	385,166
Changes in non-cash working capital items	125,107	166,947
	584,549	552,113
Financing activities		
Issue (purchase) of share capital, net	(198,039)	906,602
Investing activities		
Purchase of fixed assets	(1,683,793)	(3,470,234)
Proceeds from disposal of fixed assets	820,650	–
Proceeds on disposal of marketable securities	19,364	–
Purchase of marketable securities	–	(57,440)
	(843,779)	(3,527,674)
Decrease in cash	(457,269)	(2,068,959)
Cash, beginning of year	322,374	2,391,333
Cash, end of year	$ (134,895)	$ 322,374

Notes to the Consolidated Financial Statements

for the years ended December 31, 1995 and 1994

1. NATURE OF BUSINESS

   The Company is incorporated in Alberta and is primarily engaged in oil and gas exploration and production in Alberta.

2. BASIS OF PRESENTATION

   The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Altarich Energy Corp. Effective January 1, 1996, the Company and its subsidiary were amalgamated.

3. SIGNIFICANT ACCOUNTING POLICIES

   The significant accounting policies are as follows:

   a) Marketable Securities

      Marketable securities are stated at the lower of cost and net realizable value. The marketable securities are recorded at net realizable value when there is considered to be a permanent impairment in their value.

   b) Fixed Assets

      i) Oil and Gas Properties

      The Company follows the full cost method of accounting whereby all costs of exploring for and development of oil and gas reserves are capitalized. Such costs include lease acquisition costs, geological and geophysical expenditures, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells and overhead expenses related to exploration activities. All recoveries of costs through sale of petroleum and natural gas properties, drilling incentive credits and petroleum incentive payments are credited against the cost of oil and gas properties. Gains or losses are only recognized when the Company disposes of a significant portion of its reserves.

      Costs are amortized using the unit of production method based upon proven developed reserves derived from reports prepared by independent consultants and the company.

      Oil and natural gas reserves are converted into equivalent units based upon estimated relative energy content.

      In applying the "full cost" method, the company calculates a "cost centre ceiling" which restricts the capitalized costs less accumulated depletion and depreciation in each cost centre from exceeding an amount equal to the estimated future net revenues from proven reserves (after adjusting for estimated future general and administration costs and corporate income taxes, if any) plus the lower of cost and estimated fair value of the Company's undeveloped acreage.

      ii) Other Fixed Assets

      Other fixed assets are recorded at cost and depreciation is provided as follows:

Oil and gas equipment	unit-of-production method based upon proven developed reserves
Furniture and equipment	20 - 30% declining balance basis

iii) Flow Through Shares

The Company financed a portion of its exploration and development activities through the issue of flow through common shares. Under the terms of the flow through share agreements, the tax benefits of the related expenditures are renounced to the shareholders. To recognize the renunciation of the foregone tax benefits to the Company, the carrying value of the properties acquired and share capital are reduced by the estimated amount of the tax benefits renounced to shareholders when the expenditures are incurred.

c) Joint Venture

Substantially all the exploration and development activities related to oil and gas are conducted jointly with others. These financial statements reflect only the company's proportionate interest in such activities.

d) Deferred Abandonment Costs

A provision is established for estimated future costs of site restoration of oil and gas production interests, including the removal of production facilities at the end of their useful life. Costs are based on management's estimates of the anticipated method and extent of site restoration. The annual charge, determined on the same basis as the depletion and depreciation of the underlying asset, is included in depletion and depreciation. Included in depreciation and depletion expense for the period is $12,698 (1994 - $5,431).

e) Deferred Income Taxes

The Company records income taxes on the tax allocation basis. Deferred income taxes result primarily from claiming exploration and development costs and capital cost allowance for income tax purposes in excess of the related depletion and depreciation recorded in the financial statements.

f) Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's financial statement presentation.

4. ACQUISITION

On December 6, 1993, the Company acquired 100% of the outstanding common shares of Altarich Energy Corp. The acquisition has been accounted for by the purchase method, and these financial statements include the results of operations from the date of acquisition.

The following is a summary of the purchase consideration and the net assets acquired at fair values assigned thereto:

Net assets acquired:	
Cash	$ 2,328,387
Consideration issued:	
2,503,223 common shares	$ 2,328,387

During 1994, the Company capitalized $10,747 of costs related to the acquisition. In addition, the Company reduced their carrying value of this investment by reducing oil and gas properties by $561,498 in order to recognize the renunciation of the foregone tax benefits which were renounced to the previous shareholders of Altarich Energy Corp.

5. MARKETABLE SECURITIES

The market value of the marketable securities at December 31, 1995 is $23,500 (1994 - $47,580).

6. FIXED ASSETS

Fixed assets are comprised of the following at December 31:

1995

	Cost	Accumulated Depreciation and Depletion	Net Book Value
Oil and gas properties	**$ 3,927,576**	**$ 737,945**	**$ 3,189,631**
Oil and gas equipment	**1,161,125**	**307,363**	**853,762**
Furniture & equipment	**123,285**	**51,083**	**72,202**
	$ 5,211,986	**$ 1,096,391**	**$ 4,115,595**

1994

	Cost	Accumulated Depreciation and Depletion	Net Book Value
Oil and gas properties	$ 3,179,437	$ 227,355	$ 2,952,082
Oil and gas equipment	1,077,135	120,621	956,514
Furniture & equipment	92,270	25,223	67,047
	$ 4,348,842	$ 373,199	$ 3,975,643

The Company capitalized $150,000 of overhead expenses to oil and gas properties in 1995 (1994 - $75,000).

7. SHARE CAPITAL

A) AUTHORIZED -

Unlimited number common voting shares
Unlimited number preferred shares with rights to be determined

B) ISSUED -

The issued common shares are as follows:

	# of Shares	$
1994		
Balance January 1, 1994	11,576,813	3,612,603
Issued for cash	1,050,000	930,000
Cancellation of shares	(53,747)	-
Less tax benefits foregone on acquisition of Altarich Energy Corp. (note 4)	–	(561,498)
Less tax benefits for expenditures renounced to shareholders	–	(27,743)
	12,573,066	3,953,362
Share issue costs	–	23,397
Balance, December 31, 1994	12,573,066	3,929,965
Purchase and cancelled in the year	(609,500)	(198,039)
Balance, December 31, 1995	11,963,567	3,731,926

c) SHARE CONSOLIDATION

The number of shares reflects a 4 for 1 share consolidation on June 30, 1994.

d) PURCHASE AND CANCELLATION OF COMMON SHARES

During the year, the Company purchased and cancelled 579,500 common shares under a Normal Course Issuer Bid. A premium was not paid to acquire the common shares over and above their average carrying value.

e) STOCK OPTIONS

The following stock options to purchase common shares are outstanding at December 31, 1995:

Options Outstanding	Exercise Price per Share	Expiry Date
775,000	$0.50	August 25, 1998
375,000	$0.50	March 1, 1999
107,300	$0.30	May 24, 2000

f) EARNINGS PER SHARE

The earnings per share are based on the weighted number of shares outstanding of 12,253,317 (1994 - 12,338,900).

8. INCOME TAXES

The income tax provision included in the determination of net income is calculated by applying Canadian federal and provincial statutory tax rates to pre-tax earnings, with adjustments as set out below:

	December 31			
	1995		1994	
	$	%	$	%
Combined Canadian federal & provincial income tax	**(125,100)**	**(44.3)**	29,000	44.3
Resource allowance	**(31,700)**	**(11.2)**	(37,280)	(56.9)
Alberta Royalty Tax Credit	**(56,900)**	**(20.1)**	(27,640)	(42.2)
Non-deductible crown royalties	**78,100**	**27.6**	66,050	100.8
Benefit of income tax losses in subsidiary company	–	–	(16,540)	(25.2)
Share issue costs	**(38,700)**	**(13.7)**	(38,730)	(59.1)
Other	**26,882**	**9.1**	6,040	9.3
	(147,418)	**(52.6)**	(19,100)	(29.0)

The balance in tax pools at December 31, 1995 is as follows:

	$
Canadian Oil and Gas Property Expenses	99,880
Canadian Development Expenses	349,564
Canadian Exploration Expenses	1,801,104
Undepreciated Capital Cost	702,546

9. RELATED PARTY TRANSACTION

During the year, the Company paid management fees of $120,000 to a company controlled by an officer and director of the Company. This amount has been capitalized as overhead to oil and gas properties as described in note 6.

Corporate Information

Head Office

Suite 1840, 840 - 7th Avenue S.W.
Calgary, Alberta, Canada T2P 3G2
Tel: (403) 237-8807
Fax: (403) 263-0303

Board of Directors

J. W. Grant Robertson
C. Butch Schindel
V. E. (Dale) Burstall
T. R. Tycholis
Warren D. Steckley

Officers

J.W. Grant Robertson, President
C. Butch Schindel, Vice-President

Auditors

McRae Gladstone Gillies
Chartered Accountants

Legal Counsel

Burstall Ward

Bankers

Hongkong Bank of Canada

Evaluation Engineers

Martin Petroleum & Associates

Transfer Agent & Registrar

The R- M Trust Company

Stock Exchange

Alberta Stock Exchange
(Symbol DNG)

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Designed by McKenna/Deinum Group

DEENA ENERGY · INC.

Printed in Canada

DEENA ENERGY INC.

SUPPLEMENTAL MAILING LIST

The undersigned shareholder of common shares in the capital of Deena Energy Inc. (the "Corporation") requests that the interim unaudited quarterly financial statements of the Corporation be delivered to the undersigned at the address indicated below.

DATED the _______ day of ________________, 1996.

NAME: ____

SIGNATURE: ____

ADDRESS: ____

____

____

PLEASE MAIL TO:

Deena Energy Inc.
1840, 840 - 7th Avenue S.W.
Calgary, Alberta
T2P 3G2